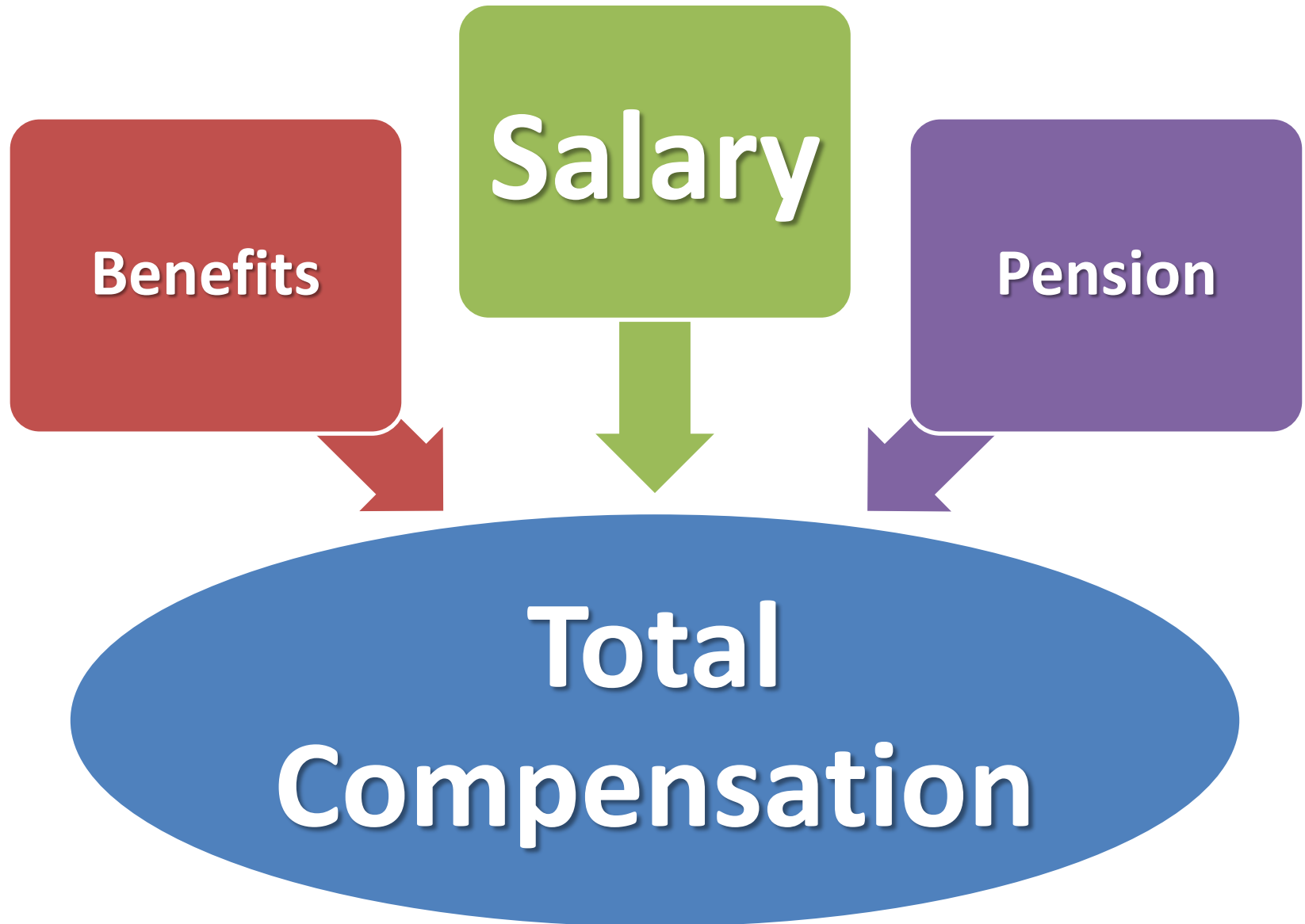


Total Compensation

Considerations for FY 13

Presented November 1, 2011

Amended November 7, 2011



Oral Report to Council – October 27, 2011
Written Report to Council & Worksession
November 9, 2011

Pension

Currently under Study by the Ad Hoc
Retirement Benefit Advisory Committee

Defined Benefit

- Firefighters & Police Officers
- VRS (State Controlled)
- Deputy Sheriff's , Medics & Fire Marshals
- City Supplemental

Defined Contribution

- ICMA-RC 457
- ICMA-RC Roth

Benefits

Current Employee Benefits

- Health Care
- Dental
- Ceridian (Flexible Spending)
- Group Life Insurance
- Long Term Disability
- Sick Leave Bank
- Leave
- Pre-Tax Transit Subsidies
- Telework
- Tuition Assistance
- Wellness Program

Benefits in Retirement

- Health Care
- Group Life Insurance

Benefits

Health Care Changes

- Continue Move to 80%/20% Minimum Premium Split (4% employee increase for employees currently at 16%)
- **Under consideration**
 - Improved Dental Coverage Aligned w/Health Care
 - Move to Three Tiers
 - Enhanced Wellness Program

Salary

GS Changes Under Consideration

- Adjust GS Scales
 - Delete Steps A & B - Move EE's to C
 - Move Current C Step EEs to C ½
 - Add 2.3% To Top of Scale
 - Remove Steps (Open Ranges)
 - Smooth Merit % to 3%
 - Change Pay Practices to align w/new pay scales
 - Awards & Recognition

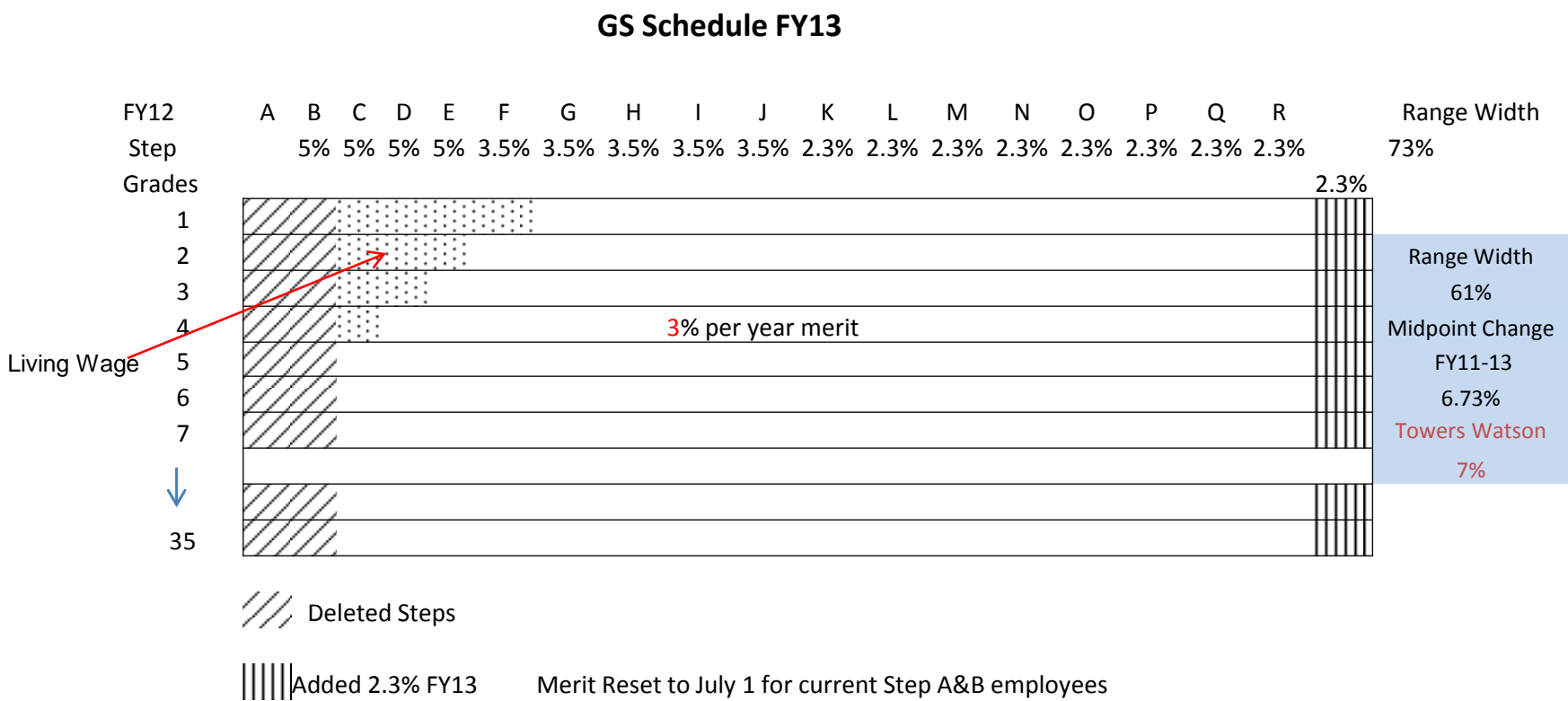
PS Initiatives

- PS Scale: in FY12 1% Added (R Step 2.3%)
- Workgroup Created
- Police, Fire Sheriff, Labor Reps.
 - Comparator Data on All Pay Practices
 - Pay Progression

GS Pay Scale Adjustment

- Why Adjust Pay Scale?
 - Recommendation from Towers Watson
 - Used City “Benchmark” information
 - Determined:
 - Averaged Range Midpoint Deviations
 - » PS Scales 1% below Market
 - » GS Scales 7% below Market
 - Recommended:
 - No change to PS Scale
 - Move the GS grade midpoint up 7%

GS Pay Scale Adjustment



Amend Pay Practices For FY13

Determine % Change in Open Range for Pay Practices

- Performance Management (Merit Evaluations)
- Starting Salary Rules
- Enhanced Career Ladders
- Promotion
- Demotion
- Reclassification
- Award/Recognition
- Retention
- Reallocation
- Other

Why Move From Steps To Pay Ranges

- GS Schedule Only - PS Scale Remain on Steps
- Flexibility in Determining Pay Progression
- Enhanced Career Ladders opportunities
- Variable Amounts for Performance Awards
- Pay for Competencies e.g. Job Related Certifications
- Industry Standard

Cost of Pay Scale and Merit Adjustments

updated 11/7/11

	\$ Impact in FY 2013	General Schedule Employees Impacted (Full and Part-Time)*
Total Pay Scale Alignment	\$413,000	303
Elimination of Steps A & B	\$23,000	24
Move C to C 1/2	\$38,000	44
Added Step (2.3%)	\$352,000	235
Merit @ 3%	\$167,000	1,517
Total Pay FY13 Pay Adjustments	\$580,000	1,820

*Approximated impact from vacant positions is included in cost estimates but not in the number of employees impacted. There were 171 full and part-time General Schedule vacancies in August 2011.

Leadership Pay Approach

- Towers Watson noted: “Grades GS 33, 34, and 35 are not in use; the City might consider upgrading some of its top jobs to alleviate compression at the highest grades/steps”
- All 22 Asst. City Managers and Department Heads are grades 30-32
- 73% (16 of 22) are at Step P, Q or R

Leadership Pay Approach (Cont.)

- Strengthened Performance Management System for Executives, Increase Accountability
- FY 13
 - Open Ranges
 - Use Existing Grades 33, 34, and 35 (GS 30 – GS 35)
 - No Pay Increase
- FY 14
 - Create Separate Pay Band
 - Strategic Management Leadership Job Family Contribution Levels 5 & 6
 - Anchor Pay Ranges and Actual Pay to Market

Benchmark Purpose

- Maintain up to date Salary Structure (scales, bands)
 - Compare “Match” jobs with the External Market
 - Proxy for “Unmatched” jobs
 - Jobs of equal “internal value” grade, level, rank etc.
 - Review and Adjustment every 2 Years
 - Compensation through:
 - Career Ladders
 - Awards and Recognition
 - Up-to-Date Pay Practices

Benchmarks in Past

- Changed Grade (a measure of internal not external equity)
- Linked-Resulted in Many Grade Changes
 - Distorted Internal Equity
 - Costly (2009 Benchmark w/no % increase \$3.15M)
 - Not Implemented over last 3 years
- Compensation Philosophy - 100% of Market Refers to Scales not every class
- Industry Standard - Benchmarks used to Adjust Scales

Actual **Salary** Analysis

(Average & Median)

- From Surveys (LGPA, etc.) Determine Actual Average and Median Salaries by Job
- Recommend Across the Board General Wage Adjustments to Maintain Actual Pay Comparability in FY 13 for FY 14

Staying Competitive

- Use Surveys (HRA-NCA, LGPA, Other Published Surveys and tailored research)
- Expand Comparators (National, Regional, Special Studies, deference to 5 Comparators)
- Define Process for Managing the Following:
 - Biannual Reclassification Requests
 - Biannual Departmental Requests for Class Reallocations and Studies of Occupational Series
 - HRD Studies of Cross-Departmental Job Families
 - “Hot” job or Recruiting/Retention triggers
 - Continuously Monitor Turnover

FY14

- Develop **Pay Bands** for Implementation
 - Based on Job Family and Contribution Level
- Consistent w/Comparators and Market through Benchmarking
- Flexibility - Career Ladders, Rewards and Recognition
- Allow for use of % and Flat Rate Pay Options
- Market Data Sets Band Width
- Market Analysis Determines Minimum, Maximum, New Hire Rates within Bands/Levels

Pay Bands & Contribution Levels

